

EXHIBIT E



Tobacco Settlement Financing Corporation

641 Lexington Avenue, New York, NY 10022
(212) 688-4000 • Fax: (212) 872-0789

PRISCILLA ALMODOVAR
President/CEO

September 14, 2009

Via Hand Delivery

Lehman Brothers Special Financing Inc.
c/o Lehman Brothers Holdings Inc.
1271 Avenue of the Americas
40th Floor
New York, NY 10020

Richard P. Krasnow, Esq.
Weil Gotshal & Manges LLP
767 5th Avenue
New York, NY 10153

Re: Notice of Lehman Event of Default Under the Reserve Fund Agreement dated June 19, 2003

Ladies and Gentlemen:

Reference is made to the Reserve Fund Agreement dated as of June 19, 2003 (the "RFA") by and between Lehman Brothers Special Financing Inc. ("LBSF"), the Tobacco Settlement Financing Corporation (the "TSF"), a public benefit corporation of the State of New York, as Issuer, and the Bank of New York, as Trustee under the Indenture dated as of June 1, 2003, by and between the TSF and the Trustee. Capitalized terms used but not otherwise defined herein shall have the meanings attributed to them in the RFA.

Please take notice that on November 28, 2008 and May 29, 2009, LBSF failed to deliver, or to cause to be delivered, Qualified Securities in accordance with sections 2.1 and 2.2 of the RFA. Such failure constitutes an Event of Default under section 7.3(a) of the RFA. Additionally, the institution by LBSF of a proceeding under Chapter 11 of the United States Bankruptcy Code on October 3, 2008 in the United States Bankruptcy Court for the Southern District of New York constitutes an additional Event of Default under section 7.3(d) of the RFA.

LBSF is further notified that (i) TSF has other rights and remedies under applicable law and the RFA (including, without limitation, the rights specified under section 7.6 of the RFA), (ii) all rights and remedies are hereby reserved and no such rights have been waived, abandoned, discontinued or in any other manner precluded from exercise, and (iii) the failure to exercise any

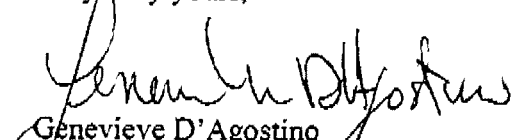
Lehman Brothers Special Financing Inc.

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such right or remedy shall not constitute (or be deemed to constitute) any waiver, abandonment, discontinuation or other preclusion of the exercise thereof or of any other right or remedy of the TSF.

Very truly yours,



Genevieve D'Agostino
Senior Vice President/Treasurer



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New York, NY 10020

Richard P. Krasnow, Esq.
Weil Gotshal & Manges LLP
767 5th Avenue
New York, NY 10153

Re: Notice of Lehman Event of Default Under the Reserve Fund Agreement dated December 2, 2003.

Ladies and Gentlemen:

Reference is made to the Reserve Fund Agreement dated as of December 2, 2003 (the "RFA") by and between Lehman Brothers Special Financing Inc. ("LBSF"), the Tobacco Settlement Financing Corporation (the "TSF"), a public benefit corporation of the State of New York, as Issuer, and the Bank of New York, as Trustee under the Indenture dated as of December 1, 2003, by and between the TSF and the Trustee. Capitalized terms used but not otherwise defined herein shall have the meanings attributed to them in the RFA.

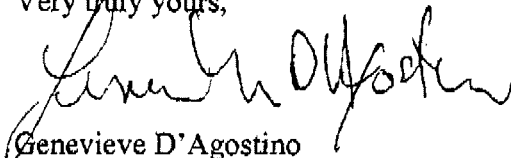
Please take notice that on November 28, 2008 and May 29, 2009, LBSF failed to deliver, or to cause to be delivered, Qualified Securities in accordance with sections 2.1 and 2.2 of the RFA. Such failure constitutes an Event of Default under section 7.3(a) of the RFA. Additionally, the institution by LBSF of a proceeding under Chapter 11 of the United States Bankruptcy Code on October 3, 2008 in the United States Bankruptcy Court for the Southern District of New York constitutes an additional Event of Default under section 7.3(d) of the RFA.

LBSF is further notified that (i) TSF has other rights and remedies under applicable law and the RFA (including, without limitation, the rights specified under section 7.6 of the RFA), (ii) all rights and remedies are hereby reserved and no such rights have been waived, abandoned, discontinued or in any other manner precluded from exercise, and (iii) the failure to exercise any

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Page 2

such right or remedy shall not constitute (or be deemed to constitute) any waiver, abandonment, discontinuation or other preclusion of the exercise thereof or of any other right or remedy of the TSF.

Very truly yours,



Genevieve D'Agostino
Senior Vice President/Treasurer